



CITY OF HAYWARD

AGENDA REPORT

AGENDA DATE 06/20/00

AGENDA ITEM _____

WORK SESSION ITEM WS#2

TO: Redevelopment Agency Board Members

FROM: Director of Community and Economic Development

SUBJECT: Status Report on the Proposed Redevelopment Plan Amendment for the Mission-Foothill Boulevard Corridor

RECOMMENDATION:

It is recommended that the Agency Board review and comment on this report.

BACKGROUND:

On February 15, 2000 the City Council approved a Survey Area for the proposed Downtown Hayward Redevelopment Plan amendment for the Mission-Foothill Boulevard Corridor. The area proposed for addition to redevelopment is approximately 782 acres and extends from the north end of Foothill Boulevard to the southern end of Mission Boulevard at the City limits. At the same meeting, the Agency Board authorized the execution of a contract with GRC Redevelopment Consultants, Inc. to assist with the preparation of necessary documents related to the redevelopment plan amendment.

The proposed redevelopment plan amendment is a major undertaking that will take approximately one year to complete. Two of the primary issues to be considered during this process are: 1) the documentation of blighting and other factors that are necessary to qualify the Survey Area for redevelopment status, and 2) an assessment of the financial feasibility of adding the proposed new territory. Pursuant to the Agency Board's direction, GRC has prepared the attached Feasibility Report in order to provide preliminary information regarding the Survey Area. Based on the information presented in the Report, it appears that there is enough evidence of blight to move forward with the redevelopment plan amendment process.

SUMMARY OF THE FEASIBILITY REPORT

Physical blight factors that were observed include many structures in need of significant repair. Other potential issues include the presence of asbestos, lead-based paint and other hazardous materials, and the presence of the nearby Hayward seismic fault. Even more serious than the building structural issues, the area suffers from overall obsolescence, due to piecemeal development that has taken place over the years and the lack of adequately sized commercial parcels. There are also many observed instances of development that conflict with or relate poorly to adjacent uses. Finally, there are a number of instances of inadequate public facilities

such as a lack of sidewalks, damaged storm drains, need for traffic signal improvements, and a need for street trees and other amenities.

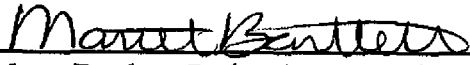
With regard to economic blight, a primary determinant is how the proposed area compares with surrounding areas in terms of assessed property valuation. The Feasibility Report states that while single family and vacant land values within the Survey Area are similar to the remaining Citywide average, multi-family and commercial values are significantly lower than the remaining Citywide average. These uses constitute about 50% of the land uses in the Survey Area. More research needs to be done in terms of documenting business vacancies and lease rates to determine whether this is a factor. Finally, the crime rate for Part 1 crimes is reportedly higher in the Survey Area than for the rest of the City, and police response times in this area are hampered by traffic congestion and by lack of parking in the area.

In order to begin evaluating the financial feasibility of the Survey Area, the consultants estimated the tax increment revenues that would be generated over the 45-year lifetime of the added project area using a growth rate of 2% per year for the first five years and 5% per year thereafter. The net tax increment available for non-affordable housing projects is projected to be \$149.2 million. In year ten, the area would be generating an estimated \$871,000 for non-housing projects. By way of comparison, the redevelopment area is currently 610 acres, and is generating approximately \$1.9 million annually for non-housing projects. Under these assumptions, it appears that the proposed area will generate enough tax increment to sustain a substantial redevelopment effort. These estimates will be refined with respect to projected development scenarios.

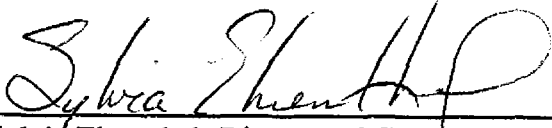
NEXT STEPS

Subsequent to the presentation of this Feasibility Report, staff will bring forward technical corrections to the Survey Area boundaries for Agency approval on June 27, 2000. Staff will then issue the Notice of Preparation for the Environmental Impact Report (EIR). In mid-July the Planning Commission will be requested to select the Project Area boundaries, approve the Preliminary Redevelopment Plan and forward the Preliminary Plan to the Redevelopment Agency Board. Also in July, staff will request that the Agency Board consider acceptance of the Preliminary Plan, set the base year for the amended area, and authorize the transmittal of information to the affected taxing agencies. At the same meeting, the Agency Board will be asked to consider procedures for the election of additional members to the Hayward Redevelopment Area Committee (HRAC). Staff will schedule an informational meeting for the existing HRAC members in July, and send out written information to area residents and other interested parties regarding upcoming community meetings and the HRAC elections. The election of the new HRAC members is scheduled to take place in the fall.

Prepared by:


Maret Bartlett, Redevelopment Director

Recommended by:


Sylvia Ehrental, Director of Community
and Community Economic Development

Approved by:


Jesús Armas, Executive Director

Attachments: Exhibit A - Feasibility Analysis

Due to the length of the Exhibit,
copies are available in the Office of
the City Clerk or at the Hayward City
Library.